

# FarmFit Insights Hub Launch

Data and Insights to facilitate  
collaboration along and across value  
chains

Wed, 8 November 2023



**idh**  
transforming markets



# A lack of data and evidence impedes decision-making, resulting in both ineffective investment and underinvestment in smallholder agriculture



**Smallholder agriculture needs massive investments given the challenge to achieve food security, as a pathway out of poverty, economic development and to build climate resilience**



**Private sector to play a key role to professionalize farmers, grow service delivery, secure sourcing, grow SMEs and ensure inclusivity and climate**



**Evidence and data on what works to debunk pervasive perceptions that there is no business case for investing in smallholder agriculture and drive investment across the value chain**

An aerial photograph of a tea plantation. The tea bushes are arranged in neat, parallel rows, creating a rhythmic pattern of green and brown. A dirt path runs vertically through the center of the plantation. The overall scene is vibrant and well-maintained.

**The Hub is a digital platform where we share data and insights to invest more and better into smallholder inclusive business models and build successful partnerships**



## Question

Business models that charge farmers for service delivery (even if not fully recovering their costs) invest significantly more per farmer than business models that provide services to farmers for free.

- A. True
- B. False



## Question

Business models that charge farmers for service delivery (even if not fully recovering their costs) invest significantly more per farmer than business models that provide services to farmers for free.

- A. True (correct answer)
- B. False



## Question

**Which category of agribusinesses invest more in service delivery per farmer?**

- A. Global agribusinesses
- B. Regional & local agribusiness



## Question

Which category of agribusinesses invest more in service delivery per farmer?

- A. Global agribusinesses
- B. Regional & local agribusinesses  
(Correct Answer)

# The FarmFit Insights Hub: How is it relevant for you?



## Companies

Which business models work?

What are last mile service delivery options?

How much to invest per farmer?



## Support Organisations

How to ensure your scaling approach is not reducing the value for farmers?

Why is the commission based agent model working for this partner and not for another?

How to get most impact per dollar invested?



## Governments / donors

How to generate most investments into the sector?

Is there a business case for a specific service or should this be a public good?

Which incentives to provide for inclusivity and environmental considerations?



## Investors

Verify key assumptions in business models of (potential) investees

Check what works and what does not work when implementing interventions

Know and improve the impact of your investments





# Welcome to the FarmFit Insights Hub

**“Under what conditions can smallholder service delivery models be efficient, cost-effective and economically viable at scale?”**

In 2015 we set out to answer this question, under the conviction that bringing clarity to the economics and impact of inclusive smallholder business models would help bring much needed private sector investment that smallholder markets desperately need.

Discover our key learnings and insights right here.

[Read more](#)

[Explore the Insights Hub →](#)





## I'm a big-picture thinker, short on time

You're interested in obtaining overarching insights regarding smallholder agricultural markets.

Explore →

## I'm a doer, working on the ground

You want practical tips and real-life examples that can positively influence your day-to-day work, along with guidance on effectively putting recommendations and best practices to practice.

Explore →

## I'm a data enthusiast, looking for rigor and detail

You're interested in the 'how' of our data and findings, and need to know more about our analytical methodology.

Explore →

# Big picture thinker: Key Insights



## Unlocking success

### Page content

Key messages >

The case for change >

Defining success >

Smallholder service provision: Key insights >

Trade-offs and tipping points: What have we learned? >

<https://farmfitinsightshub.org>

## Smallholder service provision: Key insights

Context matters and should inform business model design ▾

Improving visibility into indirect sources of value can create incentives for substantial sector investment ▾

A commercial approach to service delivery shows great promise – and is increasingly prevalent ▾

A “development” or “aid” mindset remains pervasive in the sector, often inhibiting investment and commercial viability ▾



# Big picture thinker: Trade-offs and tipping points



About ▾

Key Takeaways

Insights Explorer

Innovations & Guides

Tools ▾

Methodology

Resources

Contact



## Unlocking success

### Trade-offs and tipping points: What have we learned?

#### Page content

Key messages >

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Trade-offs and tipping points: What have we learned? >

Design choices can have a big impact on business model performance, but there are trade-offs ▾

Higher cost models + higher cost recovery = commercially viable service provision ▾

Higher investments create more value for farmers – but at diminishing returns ▾

Definitive insights on the link between direct cost recovery and farmer valuation: An exciting work in progress ▾

# Big picture thinker: Implications



## Unlocking success

### Implications – What does this mean for you?

So what do these insights mean for you? And how to put these insights to the test?

The answer to these questions depends on what type of organization you represent.

**Companies** ▾

**Investors** ▾

**Donors and Support Organizations** ▾

**Governments** ▾

#### Page content

[Key messages](#) >

[The case for change](#) >

[Defining success](#) >

[Smallholder service provision: Key insights](#) >

[Trade-offs and tipping points: What have we learned?](#) >

# For big picture thinkers and doers: Business modelling tool



- 1. Business Model Timeframe
- 2. Services Offered
- 3. Scale and scope
- 4. Economics of a Farmer
- Report

## Analyse your business model

This simple analysis provides you with an indicative quantification of the business case for your model, as well as a better understanding of the data you need to design, monitor and manage a successful smallholder business. The analysis takes approximately 20 minutes.

You can use this tool to analyze the performance of your current smallholder engagement, or use your best assumptions to model future business models.

We'll guide you step by step through this process.

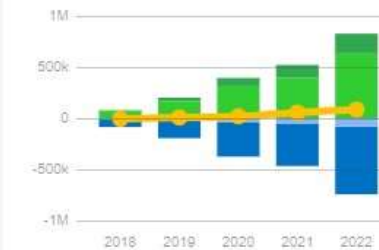
You can pause and continue the data entry at any time.

**YOUR DATA IS ONLY SAVED IN YOUR INTERNET BROWSER AND IS NOT SHARED WITH IDH IN ANY WAY!**

GET STARTED

### Business modelling results

#### Profit and loss of your company



#### Profit and loss for smallholder farmers



IDH FarmFit Intelligence tools v1.1.0

# For doers: Innovation guides, animations and case studies



## Page content

- What is this document and why does it matter? >
- What is a commission-based agent network? >
- Why implement it? >
- How to design a commission-based agent network? >
- What is the impact of a commission-based agent network? >
- Where to find further inspiration? >

## What is a commission-based agent network?

An agent network refers to a system whereby an organization engages a series of individuals as intermediaries to provide goods and services to farmers on their behalf. These agents facilitate the **last mile delivery** of a broad range of agricultural services and products. These can include inputs, technology, finance, knowledge, and produce off-take.

The agent network is often referred to as 'commission-based' because agents usually receive commissions based on the volume and/or value of transactions they provide to farmers rather than a fixed salary. The commissions can be based on a percentage of sales, a (fixed or variable) reimbursement depending on volumes sourced, a fixed fee per service provided (such as farmers trained), or a combination.

Agents are also referred to as rural promoters, last mile deliverers, local intermediary agents, village-based agents, village agents and agripreneurs.

Short on time? Watch this animation to get all the key information in a few minutes.



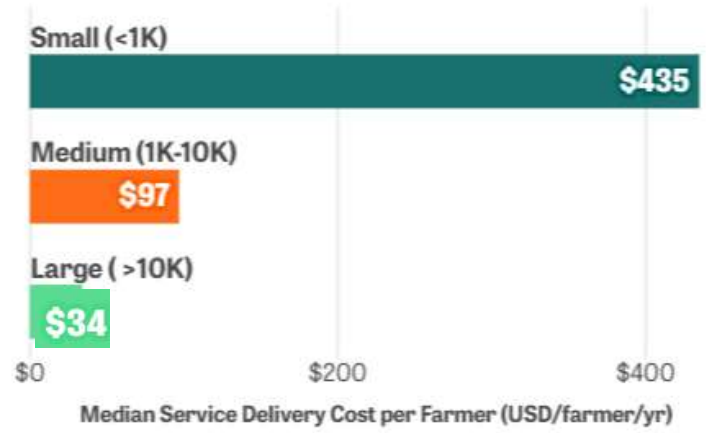
How does it typically work?



# For doers and data-enthusiasts: The insights explorer highlighting the income driver relationships using automated machine learning

## Service Delivery Cost per Farmer vs Scale

Businesses that reach **large scale** of farmers spend less on farmers than those with **medium** or **small** scale



**Service Delivery Cost per Farmer vs Scale**

## Direct Cost Recovery Services

Direct Cost Recovery vs Crop Type

Direct Cost Recovery Delivery

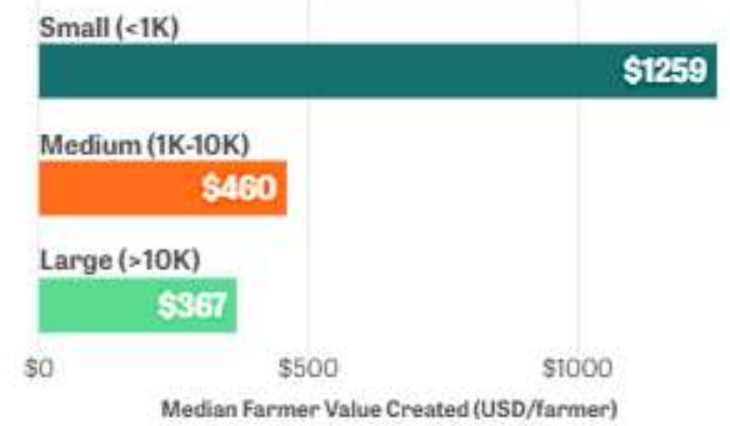
Direct Cost Recovery vs Scale

Direct Cost Recovery vs Target Group

Direct Cost Recovery vs Type of Service P

## Farmer Value Creation vs Scale

Businesses working with **small** scale of farmers create more value per farmer than **medium** or **large** scale models



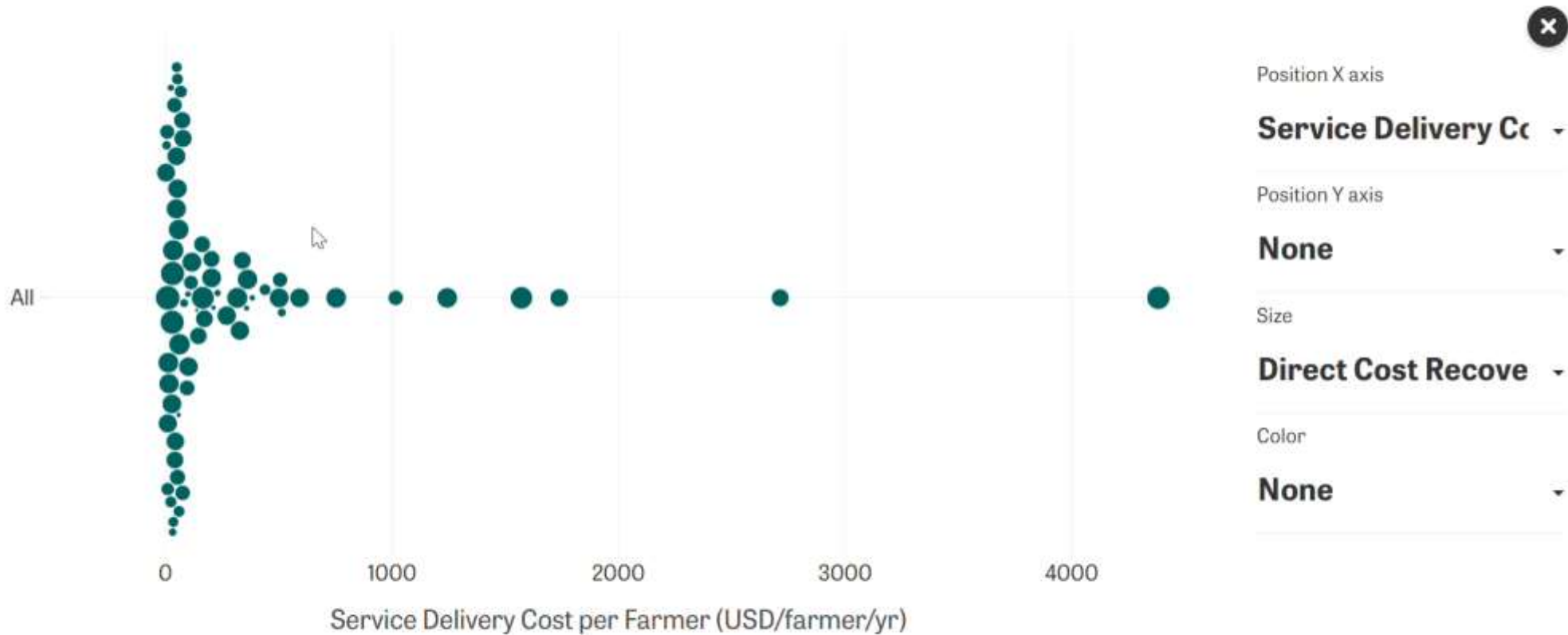
**Farmer Value Creation vs Scale**





4 of 8

You can change multiple variables at the same time. We can use the size of the dots to signify a numeric value. In this example, we selected Direct Cost Recovery from Services (%). The larger the size of the dot, the higher the cost recovery of the business model



Source: FarmFit Intelligence database



**Will you join us?**

# Connect with us!

[www.farmfitinsightshub.org](http://www.farmfitinsightshub.org)



**IDH FarmFit Intelligence**



**Smallholder- Inclusive Business  
Newsletter**



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**FarmFit  
Intelligence**  
Enabled by idh

Made possible  
through funding by

**BILL & MELINDA  
GATES** *foundation*



Foreign, Commonwealth  
& Development Office